

## LISTING OF THE CLAIMS

The listing of claims will replace all prior versions, and listings, of claims in the application.

Claims 1-6: *(Canceled)*.

7 *(Currently amended)*: Steel pipe with small occurrence of the Bauschinger effect, wherein a steel base material contains, by mass %, C: 0.03 to 0.30%, Si: 0.01 to 0.8%, Mn: 0.3 to 2.5%, P: 0.03% or less, S: 0.01% or less, Al: 0.001 to 0.1%, N: 0.01% or less, and a balance of iron and unavoidable impurities, the steel base material has a dual-phase structure substantially comprising ferrite structure and fine martensite dispersed at the ferrite grain boundaries, said steel pipe heated at the austenite-ferrite dual-phase temperature region and then quenched after a steel plate is shaped into a pipe.

8 *(Original)*: Steel pipe with small occurrence of the Bauschinger effect as set forth in claim 7, wherein the fine martensite has grains of a long axis of 10 $\mu$ m or less and said fine martensite has an area ratio of 10 to 30%.

9 *(Previously Presented)*: Steel pipe with small occurrence of the Bauschinger effect as set forth in claim 7, wherein a ratio of the proportional limit of the compression stress-strain curve in the circumferential direction before and after expansion of the steel pipe is 0.7 or more.

10 *(Currently amended)*: Steel pipe with small occurrence of the Bauschinger effect as set forth in claim 7, ~~containing, by mass %, C: 0.03 to 0.30%, Si: 0.01 to 0.8%, Mn: 0.3 to 2.5%, P: 0.03% or less, S: 0.01% or less, Al: 0.001 to 0.1%, N: 0.01%~~

~~or less, and a balance of iron and unavoidable impurities and wherein~~ the pipe is heated at a temperature range of 760 to 830 °C.

11 (*Currently Amended*): Steel pipe with small occurrence of the Bauschinger effect as set forth in claim [[10]] 7, further containing, by mass %, one or more of Nb: 0.1% or less, V: 0.3% or less, Mo: 0.5% or less, Ti: 0.1% or less, Cr: 1.0% or less, Ni: 1.0% or less, Cu: 1.0% or less, B: 0.003% or less, and Ca: 0.004% or less.

12 (*Currently Amended*): Steel pipe with small occurrence of the Bauschinger effect as set forth in claim [[10]] 7, further containing, by mass %, C: 0.03 to 0.10%, having a Charpy V-notch value in the transverse direction at -20.degree. C. of 40 J or more, and having a ratio of the proportional limit of the compression stress-strain curve before and after being subjected to deformation of 0.7 or more.

Claims 13-17: (*Canceled*)